

THE OREGON CARES FUND

A Fund For
Black Relief
And Resiliency

THE DATA

The Oregon Cares Fund Overview

A fund for Black Relief and Resiliency

The Black community across Oregon is in the midst of two pandemics. The first is this country's 400 years of racial violence and strategic divestment from the Black community, deepened here in Oregon through intentional policy and practice. More recently, it is the COVID-19 pandemic that is widening the gaps between the average white Oregonian and the average Black Oregonian. This gap must be narrowed through targeted investment in our community—for **Black people, for Black-owned businesses, and for Black community based organizations.** And that narrowing includes **The Oregon Cares Fund. The Oregon Cares Fund (TOCF) is a \$62 million targeted investment in the Black community from the CARES Act's Coronavirus Relief Fund (CRF).**

Historic Disparities

The myriad of issues requiring remedy prior to and exacerbated by the COVID-19 pandemic are institutional, and cannot be mitigated through one singular effort or fund. Black people began this pandemic far behind the average Oregonian whether it is in health, education, or economic prosperity. **We know from recent history, during the 2008 recession, that Black households lost 40% of their wealth and have not recovered in a manner commensurate to white households.¹ Massive job loss, decreases in homeownership, asset poverty, and lack of access to capital has made the Black community less resilient to economic shocks.** These factors impact the stability and wellbeing of the entire community, and left unchecked, will lead to more pronounced disparate outcomes for the impending decade. Immediate intervention is necessary to enable the Black community to meet basic needs and help us begin to chart a course for our collective recovery.

COVID-19 is Exacerbating Poverty in the Black Community

Black workers have been disproportionately considered essential during this pandemic. They are working in sectors that place them on the frontline, exposing them to illness at high rates while being overrepresented in low-wage jobs and underrepresented in living wage jobs.

In Oregon, as of March 15th, approximately 8,127 Black Oregonians filed for unemployment, and that number has continued to grow. The current unemployment rate in the Black community is as high as 21%.²

¹ American Civil Liberties Union. Impact of the US Housing Crisis on the Racial Wealth Gap Across Generations. New York, NY: ACLU, June 2015.

https://www.aclu.org/sites/default/files/field_document/discrimlend_final.pdf

² 2018 Oregon's Black labor force population estimates $39,148 - 8,127 = 31,021$; $8,127/39,148 = 20.76\%$) NOTE: we would prefer to present exact numbers but the State does not provide them, citing unreliable data so they work off of American Community Survey (ACS) estimates and not current figures.

Those living below the poverty level (25.5%) experience unemployment at almost 7 times the rate of people at or above the poverty level (3.9%)³. From 2006-2010, 29% of Black families in Oregon lived in poverty compared to 12% of white families. According to a 2019 report in Multnomah County, 52% of Black households experience asset poverty compared with 24% of white households, and this is further evidenced by the fact that white households make on average \$67,715 per annum, more than twice the income of Black households, whose average household income is \$29,864 per annum.⁴

“During a downturn, groups that have historically been excluded from labor markets tend to be the first people let go—wage and unemployment gaps continue to increase.”⁵ While not exactly revelatory, this is a major thrust behind our effort, and writing to you today.

High rates of poverty, and the prevalence of low income jobs, create a disparate financial burden on Black Oregonians. A 2015 Portland Housing Bureau report revealed approximately 68.8% of Black renters and 42.9% of Black homeowners are cost burdened, spending over 30% or more of their income on rent or housing costs. With unemployment rates rising in industries where Black people are overrepresented, and the \$600 Unemployment “bonus” that some Black residents were relying upon to make ends meet set to expire in July, we will not only see a spike in cost burdened renters and homeowners, but a spike in homelessness. **Homelessness has already been declared a statewide emergency. For example, Black people in Multnomah County, although comprising a mere 7.2% of the general county population, constitute no less than 16.1% of the Housing and Urban Development (HUD) defined homeless population.**

In order to eradicate the health inequities that are worsening health outcomes for the Black community, economic inequities must be addressed as well as the toxic stress that results from poverty and racism.⁶ And health inequities, much like one’s zip code, can be a clear indicator of Black economic security, or lack thereof.

COVID-19 is decimating gains made by Black owned businesses since the Great Recession

A report published this week by the National Bureau of Economic Research found that **“African-American businesses were hit the hardest by COVID-19. The number of African-American business owners plummeted from 1.1 million in February 2020 to 640,000 in April,” a 41% decrease⁷. Among those who are still open and operating, almost half expect to close within 6 months if conditions remain the same.**

³ 2013-2017 American Community Survey 5-Year Estimates. US Census Bureau - 2018 - American Community Survey.

⁴ Multnomah County. (2019). “Poverty in Multnomah County”. December 3.

⁵ American Civil Liberties Union. Impact of the US Housing Crisis on the Racial Wealth Gap Across Generations. New York, NY: ACLU, June 2015.

⁶ Multnomah County Report Card on Racial and Ethnic Disparities. (2014). Multnomah County Department of County Human Services. Retrieved from <https://multco.us/file/37530/download>

⁷ Fairlie, R. (2020). "The Impact of COVID-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey" *National Bureau of Economic Research*. <https://www.nber.org/papers/w27309.pdf>

Programs established to support small business were not designed with the Black community in mind. This is evident through the mechanisms and outcomes from the CARES Act Paycheck Protection Program (PPP). Nationally, **51% of Black small businesses applied for less than \$20,000 in temporary funding from the federal government, and only 1 in 10 (12%) received the assistance they requested.** (Our group is strongly in support of full disclosure of the federal data outlining which businesses, by state, by amount, received funding assistance through the PPP). At the time of this Color of Change report⁸, **66% of minority-owned businesses reported they either received no assistance or were still waiting to hear whether they will receive any help whatsoever.**

In Oregon, the number of Small Business Administration (SBA) loans to African American-owned businesses is down 94 % since 2007. **Last year, the SBA backed just four loans to black-owned businesses in our state**⁹. The Oregonian cites that “local governments have also created small business relief programs, but the need has far outstripped the available funds.” Without direct debt-free cash investments in Black-owned businesses the very inequities the state and federal government have allowed to flourish will further deepen.

COVID-19 is crippling the ability of Black Community Based Organizations to intercede on behalf of the community

Black-led organizations are not given the same funding and resources as their non Black counterparts. This lack of trust in the Black community has devastating impacts as the Black community depends on trusted community based organizations for the dissemination of resources and information. Fabricated concerns about organizational capacity, and budget provide veiled ways for systematic disinvestment to perpetuate in the not for profit realm. This observation was also made by Echoing Green, an early-stage funder in social innovation, and the Bridgespan Group, a philanthropic consultancy. Among organizations focused on improving the outcomes of Black boys, for example, groups with Black leaders had 45 % less revenue, and unrestricted assets that were 91% lower, than their counterparts with white leaders¹⁰. **We need to invest in the structural foundation upon which the Black community depends- Black led organizations and trusted Black community leaders.**

The Oregon Cares (Black Relief and Resiliency) Fund

⁸ Color of Change Presentation. “Federal Stimulus Survey Findings” <https://theblackresponse.org/wp-content/uploads/2020/05/COC-UnidosUS-Abbreviated-Deck-F05.1.3.20.pdf>, Page 2.

⁹ Spencer, M. “Coalition warns business relief measures leave out people of color” Portland Business Journal, <https://www.bizjournals.com/portland/news/2020/04/21/coalition-warns-business-relief-measures-leave-out.html>

¹⁰ Dorset, C, et al. (2020). "Overcoming the Racial Bias in Philanthropic Funding". *Stanford Social Innovation Review*. May 24.

https://ssir.org/articles/entry/overcoming_the_racial_bias_in_philanthropic_funding

The Oregon Cares Fund, a fund for Black relief and resiliency should be seeded with a \$62 million allocation of CRF funds. We believe this is a baseline for funding. The State received \$1,388,506,837 in Coronavirus Relief Funds. **Clearly, the distribution of CRF funds should not and must not flow based solely on per capita population figures. They should reflect investment in those disproportionately affected by the pandemic and those who face an uphill recovery due to the pre-existing bias in our economic and public systems.**

Federal Poverty levels, while problematic, are the most basic metric our country uses to measure such disproportionality, and we have used it for our estimations here. According to United States Census data, while Black people make up 2% of Oregon's population, we represent at least 4% of Oregonians living in poverty¹¹. **Census data has a documented history of undercounting the Black community and it categorically excludes Black people claiming more than one race. The actual number of Black people in Oregon and Black people living in poverty is likely much higher.** To account for this undercount and the disproportionate percent of Black Oregonians impacted by poverty, we modestly request that 4.5% of CRF funding (\$62 million) be allocated for The Oregon Cares Fund.

It should be noted that this baseline request of \$62 million is being solicited without adjustments for the aforementioned Black Oregonians that might have received interim rental assistance, the federally supported \$600/week “bonus” for unemployment benefits, or any other recently received relief associated with the ravages of COVID-19, such as various municipalities’ small business emergency funds and other vehicles. Those benefits, while useful, do not address the assistance required to navigate the next six months, and should not be used as a marker in some zero-sum analysis about how best to distribute these funds. It is also unclear how the State can meaningfully report whether any of these programs were provided equitably.

This fund (TOCF) will be **managed and distributed to community based organizations by the Black United Fund and The Contingent, our respected community-based partners.** The Contingent serves all 36 counties in Oregon and currently has a partnership with the Oregon Department of Human Services (DHS) for the Every Child foster family recruitment efforts. Community based organizations are best positioned to advertise and manage the intake of recipients for this funding in local communities across Oregon.

This funding will provide economic relief for individuals and small businesses to be utilized toward meeting their pressing needs as outlined above. These payments will create a lifeline for families, small businesses, and the community based organizations that are a vital source of support and job opportunities in our communities’ ecosystem.

Note: The State has failed to provide disaggregated data to better understand demographic impacts of COVID-19 on its most vulnerable communities

¹¹ Poverty USA. Website. <https://www.povertyusa.org/data/2018/OR>

The extrapolation of national data, along with the historic and semi-recent local data of how Oregon treats its Black residents—worse than other states across many measures—presents the evidence that Black Oregonians are faring much worse in this pandemic than white Oregonians. While we wish we had access to better, more granular data to know exactly how this pandemic is disproportionately affecting Black Oregonians, we do not. Put simply, the State has never prioritized the policies, practices or systems required to hold itself accountable to equitable services. While the ‘Decolonizing Data’ group (comprised of a multitude of researchers of color based in Oregon and focused on acquiring the missing data) has done yeoman’s work on several issues related to the disaggregation and reporting of data, most recently on the OHSU/OHA Key to Oregon study, there remains much work to do. However, the aforementioned estimate of 4.5% was deemed an accurate-enough assessment of Oregon’s Black population.

At this critical juncture, the State of Oregon has an opportunity to protect the health and well-being of Oregonians by targeting investments in the Black community. If decisive action is not taken and these investments are not made, similar to the Great Recession, we will have to undertake ever more costly efforts in years to come to attempt to make up for lost ground.

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